



STATE OF VERMONT
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Vermont State Auditor

State Auditor says State and Schools Can Do More to Save on School Supplies and Services

MONTPELIER – Vermont State Auditor Tom Salmon, CPA, is out to help schools find more ways to save money on basic supplies, from paper to cleaners to computers.

“The State’s Department of Buildings & General Services (BGS) has developed an extensive centralized contracting system with competitively bid contracts covering 400 commodities in 45 categories,” Salmon noted, “but we are not adequately deploying this system to help schools stretch their dollars and save money.”

In a report released today, Salmon noted that only 21 percent of surveyed school supervisory unions were checking the state contracts on the Internet when making purchases, and some of those were checking only on occasion.

“Schools are missing an opportunity to take advantage of the State’s competitive bidding on basic items,” Salmon noted. He said that schools likely spend at least \$60 million a year on standard supplies such as paper, janitorial and office supplies, computers and other educational staples. “If we could save just 3 percent on that amount, it would mean nearly \$2 million a year in avoided costs for the educational system,” he said.

Salmon said his study also showed that at times a local school district can beat the state price on an item by purchasing from a local vendor. “School business managers take pride in finding low prices, and by paying attention to the local vendors’ seasonal promotions, close-outs and other offerings, they can beat the state price,” he noted.

For example, schools can often beat the State’s price on copy paper, Salmon said, because the State is mandated by law to procure copy paper that is recycled and processed 100 percent chlorine free. “The State is typically about 25 percent higher on paper costs,” he noted.

The auditor’s limited review found that one supervisory union in the Southern part of the state *paid less* than the State contract price on 7 of 9 comparable items, not including copy paper. The school union saved between 3 and 48 percent on the 7 items. Another school union in central Vermont *paid more* than the State contract price on 5 of 7 items, not including copy paper, paying between 10 and 22 percent more on the 5 items.

The report noted that legislation passed in 1987 required BGS and the Dept. of Education to “develop and promote a program of centralized purchasing of equipment and supplies for public schools in Vermont, by which purchases may be combined in order to obtain volume purchasing discounts and other purchasing benefits.”

Salmon said the current system doesn’t fully address the legislation’s requirement for a centralized system for school purchasing, but is a good starting point for more cooperation. “The State’s system currently doesn’t allow us to know which schools are using the system and how much they might be saving,” Salmon noted. “But it’s clear that we have opportunities for improvement and more savings.”

“We have recommended that Education and BGS get together and appoint an action committee to explore ways to increase cost-effective savings in the purchasing area. There’s a lot more we could do, in my opinion,” Salmon said.

The purchasing report is available at www.auditor.vermont.gov. Click on “Audits & Reports” and then “Reports” to access the review on school purchasing.

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Note to editors: Deb Damore, Director of the Purchasing and Contracting Division at BGS, can be reached at 828-5784. Bill Talbott, Deputy Education Commissioner, can be reached at 828-0470.